

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

COMMONWEALTH EDISON COMPANY)

Petition for expedited approval of implementation)
of a market-based alternative tariff, to become)
on or before May 1, 2000 pursuant to Article IX)
and Section 16-112 of the Public Utilities Act)

ICC Docket No. 00-0259

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ILLINOIS
COMMERCE COMMISSION

Sieben Energy Associates
Brief on Exceptions

Introduction

Sieben Energy Associates ("Sieben") files this Brief on Exceptions in response to the Hearing Examiners Proposed Order ("HEPO") issued April 21, 2000. Sieben generally agrees with moving forward with a market-based tariff and files this brief to provide exceptions to the HEPO.

Overall, this docket has failed to produce an evidentiary record from which to conclude that Commonwealth Edison's ("Edison") market-based alternative tariff is just and reasonable. Due to limited time and opportunity to conduct meaningful discovery, it would be difficult to accurately assess the validity of Edison's proposal. Moreover, Edison's proposal increases the lack of uniformity in determining market values for Illinois electric utilities since it creates a new methodology to determine market-based pricing. The interest of time and market necessity however, does require creating an alternative to the current market pricing process. Sieben recommends approving Edison's market-based alternative with a sunset provision. Also, Sieben recommends the HEPO be modified to include an additional finding, which would initiate a docket within 30 days of this proceeding to fully examine market-based pricing methodologies.

This docket would examine how a market-based pricing methodology should be defined and operate and articulate the required benefits a market approach can create in Illinois' deregulating electricity markets.

Lack of Uniformity

Edison's proposal adds to the lack of uniformity that already exists among delivery services tariffs in Illinois. Since Edison's proposal is clearly not a statewide solution to evaluate or determine delivery service pricing nor has the Commission had the opportunity to fully assess the validity of the proposal, Edison's proposal is likely to only add to the confusion that already exists. Since the Illinois Commerce Commission (Commission) has a strong interest in ensuring competitive electricity markets develop rationally, it is incumbent upon the Commission to include an ordering paragraph that states the final order in this docket should not be used as precedent in subsequent docket focusing on similar issues. Enron clearly articulated this point in their comments (pp. 10-11) stating that further eroding of market uniformity in the way transition charges are calculated would discourage the development of competition across the State of Illinois. Given this important point, a final ordering paragraph should be included in the HEPO at page 27 that states:

5. The Commission finds that this order pertains to Commonwealth Edison Company's market-based alternative tariff only and should not be used as precedent in cases pertaining to market-based pricing in the future.

This tariff docket was conducted on an expedited basis and should be recognized as an approach to solving current Edison pricing issues and not precedent for solving related issues in the future.

Sunset Provision

Sieben believes the sunset provision of May 2001 included within the HEPO is appropriate given the rapidly changing nature of ComEd's energy market and the thinly traded Altrade and Bloomberg PowerMatch. The HEPO correctly proposes (p. 25) "that this tariff shall cease to be effective at the conclusion of the customer's May, 2001 billing period". This proposal is absolutely the correct approach to ensuring that a market-based approach is adopted this year, while also requiring Edison to revisit this issue relatively soon. A final ordering paragraph should be included to clearly state that a sunset provision is included within the HEPO at page 27:

6. The Commission finds that a sunset date of May 2001 is a modification to Commonwealth Edison companies proposed tariff

The sunset provision is central to ensuring that the pricing solution in this docket is tested and revisited within the next 12 months.

Establish Market-Based Pricing Methodology Docket

Sieben firmly believes that additional review of market-based pricing methodology issues should be thoroughly reviewed in a separate docket to be initiated by the Commission within 30 days of approving Edison's proposed tariff. This market-based index docket is similar to NewEnergy's workshop proposal articulated in its comments (pp. 14-15). Rather than establish a workshop, a formal docket should be opened to address numerous market-based pricing issues that include:

- What is the correct market-based approach to pricing power (e.g., index, power exchange, etc.)?

- What are the characteristics of a market pricing methodology so that Edison, ARES and the Commission can effectively rely on an index?
- What type of transactions should be at the core of any market pricing methodology?
- If a market index or power exchange is established, what level of trading is needed so that it can be effectively relied upon?
- How can Commission assure that a transparent market-based approach to pricing is established in the future?

The HEPO's Finding and Ordering Paragraphs at page 27 should be amended to include a new paragraph that states:

7. The Commission will initiate a new docket within 30 days of the conclusion of this proceeding to investigate market-based pricing methodologies to fully examine the appropriate procedures and methods to establish market-based pricing in Illinois.


A market-based methodology docket is crucial to defining and refining a crucial component of Illinois' developing competitive electricity market.

Conclusion

Sieben respectfully submits its Brief on Exceptions in this docket for review by the Hearing Examiner. It is strongly believed that the recommendations set-forth will greatly benefit the competitive electricity market in Edison's service territory.

Respectfully submitted,

SIEBEN ENERGY ASSOCIATES

By: 

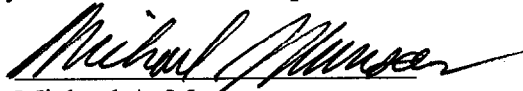
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April 24, 2000

**STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION**

Commonwealth Edison Company	:	
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Petition for expedited approval of	:	00-0259
implementation of a market based	:	
alternative tariff, to become effective	:	
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Article IX and Section 16-112(c) of the	:	
Public Utilities Act.	:	

CERTIFICATE OF SERVICE

I, Michael A. Munson, hereby certify that a copy of Sieben Energy Associates' Brief on Exceptions to the Hearing Examiner's Proposed Order filed in the above-captioned proceeding was served on the person or persons on the attached service list by depositing same in the United States Mail depository with proper postage prepaid thereon, by Federal Express, by facsimile, by hand-delivery or by electronic mail on April 24, 2000.



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